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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

National Cable Television Association

Loretta P. Polk  
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October 20, 2000

Ms. Magalie R. Salas  
Secretary  
Federal Communications Commissions  
445 12<sup>th</sup> Street, SW  
TW-A325  
Washington, DC 20554

**RE: Commercial Availability of Navigation Devices**  
**CS Docket No. 97-80**

Dear Ms. Salas:

On behalf of Cable Television Laboratories, Inc., ("CableLabs") and the multiple system operators referenced in the above-captioned proceeding, I am submitting the original and nine copies of a letter signed by Richard R. Green, President and CEO of CableLabs, which was filed on October 18, 2000. In that filing, the letter was submitted in facsimile form with an attachment. This letter is being filed without the attachment.

If you have any questions concerning this matter, please contact the undersigned.

Sincerely,



Loretta P. Polk

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Cable Television Laboratories, Inc.

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Ms. Magalie R. Salas  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street S.W.  
Washington, D. C. 20554

Re: Commercial Availability of Navigation Devices,  
CS Docket No. 97-80

Dear Ms. Salas:

On behalf of Cable Television Laboratories, Inc. ("CableLabs") and the multiple system operators cited in the above-referenced proceeding, I am reporting on the status of the CableLabs's DFAST license (now referred to as the POD-Host Interface License Agreement or the PHI license) in response to the Commission's request in the Further Notice of Proposed Rulemaking and Declaratory Ruling, released September 18, 2000, in the above-captioned proceeding. I am also submitting the current version of the PHI license.

CableLabs and its members believe that adequate copy protection is critical to the digital transition. By protecting against unauthorized use of digital content, it will enhance the ability of cable systems and other distribution media to offer their customers a wide range of valuable programming and other services.

In the Declaratory Ruling, the Commission held that copy protection is permissible for signals going across the interface between the point-of-deployment ("POD") module and commercially available host devices in order to provide security and to protect high quality content. The OpenCable specifications include copy protection requirements for both the POD-Host interface (implemented through the PHI license) and the 1394 interface (implemented through the DTLA license) to other digital devices. These specifications and the PHI license are intended to facilitate the retail availability of navigation devices.

Since the issuance of the Declaratory Ruling, CableLabs has solicited and received substantial comments on the September 8, 2000 draft of the PHI license from the Motion Picture Association of America ("MPAA"), the Digital Transmission Licensing Administrator ("DTLA") (the licensing agent for the 5C companies)<sup>1</sup>, Circuit City, and a few manufacturers. CableLabs also has had numerous discussions and conference calls with the parties with the objective of achieving a

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<sup>1</sup> Sony, Matsushita, Intel, Toshiba and Hitachi developed the so-called "5C technology," which affords protection of copy-controlled material over high-speed bi-directional digital interfaces.

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consensus. Although substantial progress is being made on resolving disagreements over the specific terms of the copy protection requirements, negotiations continue between the parties. As soon as these negotiations are completed, CableLabs will submit a final version of the PHI license to the Commission. But it is important for the Commission to recognize that CableLabs does not control the principal parties to these negotiations and that revisions to the DTLA license agreement are also in dispute between these parties.

Therefore, CableLabs is submitting the current draft of the license agreement without the copy protection requirements.

The Commission may be assured, however, that CableLabs is working diligently to reach a compromise on these issues with MPAA, DTLA, and the consumer electronics industry as quickly as possible. As recently as yesterday, CableLabs received a proposal from MPAA in response to a compromise suggested by DTLA on October 14, 2000.

The cable industry appreciates the Commission's resolution of the regulatory aspect of the copy protection issue. We will keep the Commission informed of the ongoing progress of the negotiations and provide a written status report in 30 days. As stated above, once the final agreement is reached, CableLabs will submit the completed version of the PHI license to the Commission.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard R. Green", written in a cursive style.

Richard R. Green, Ph.D  
President and Chief Executive Officer

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cc: Honorable William E. Kennard  
Honorable Susan Ness  
Honorable Gloria Tristani  
Honorable Michael K. Powell  
Honorable Harold Furchtgott-Roth  
Deborah Lathen, Chief, Cable Services Bureau  
William Johnson, Deputy Chief, Cable Services Bureau  
Deborah Klein, Division Chief, Consumer Protection & Competition Division  
Dale N. Hatfield, Chief, Office of Engineering & Technology  
Robert M. Pepper, Chief, Office of Plans & Policy  
Jonathan Levy, Economist, Office of Plans & Policy  
Amy Nathan, Senior Legal Counsel, Office of Plans & Policy